

# Saskmilk

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## UPDATE

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October 17, 2011

### *2<sup>nd</sup> ANNUAL GENERAL MEETING & CONFERENCE*

SaskMilk 2<sup>nd</sup> Annual General Meeting and Conference will be held November 9 & 10, 2011 at the Travelodge Hotel in Regina. Directors and staff encourage all producers to attend the conference to meet and share ideas and concerns. **Please note that the cut-off date for Hotel Reservations is Friday, October 21, 2011. Contact the Board office to reserve your hotel rooms and register for the conference.**

### **PRODUCER MEETINGS – OCTOBER, 2011**

SaskMilk will hold the next session of producer meetings October 24, 25 & 26, 2011. Please mark your calendars and plan to attend. Lunch will be served at 12 noon at all meetings. SaskMilk will provide producers with updates on various topics and consult with producers on a number of issues. Agrifoods will also provide an update and opportunity for discussion with producers. The schedule for the meetings is as follows.

#### **SCHEDULE**

DATE	TIME	DISTRICT	LOCATION
Monday, Oct. 24	9:30 a.m.	Saskatoon	Brian King Centre 202 8 <sup>th</sup> Avenue N. Warman
Tuesday, Oct. 25	9:30 a.m.	Fort Qu'Appelle	Country Squire Inn 503 Hudson Avenue Fort Qu'Appelle
Wednesday, Oct. 26	9:30 a.m.	Swift Current	F.O.A. Eagles 1910 S Service Rd. W Swift Current

## QUOTA EXCHANGE

The market-clearing price established for the October, 2011 Quota Exchange was **\$28,000.00**.

The next Quota Exchange will be held on November 15, 2011. All offers to sell and bids to purchase quota through the Quota Exchange must be received at the SaskMilk office by midnight, November 6, 2011. SaskMilk recommends that offers and bids be submitted well in advance of the deadline date to ensure adequate time for corrections, if necessary.

Just a reminder to producers that when making bids on the Quota Exchange, the price on offers to sell quota is the minimum price that the producer is prepared to accept for that quota. Only if the market-clearing price is equal to or greater than the producer's minimum price will that producer qualify for participation in the Exchange. Conversely, the price on offers to purchase quota is the maximum price that the producer is prepared to pay for that quota. Only if the market-clearing price is equal to or less than the producer's maximum price will that producer qualify for participation in the Exchange. The clearing price is set at the price where the smallest difference exists between the accumulated volume offered for sale and the accumulated volume bid to purchase.

The results of the Quota Exchange are outlined in the following Table.

### OCTOBER, 2011 QUOTA EXCHANGE RESULTS SUMMARY

<b>Market Clearing Price per kilogram of butterfat</b>	<b>\$28,000.00</b>
<b>Daily Kilograms offered to Purchase</b>	<b>58.00</b>
<b>Kilograms offered to Sell</b>	<b>97.85</b>
<b>Kilograms sold</b>	<b>53.85</b>
<b>Number of Producers</b>	
- offered to purchase	<b>3</b>
- purchased quota	<b>3</b>
- offered to sell	<b>5</b>
- sold quota	<b>2</b>

### OCTOBER, 2011 QUOTA EXCHANGE CLEARING PRICE RESULTS

Price (\$/daily kg b.f.)	No. of Sellers	Cumulative Sellers	Daily Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Daily Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
27,500	1	1	2.00	2.00	-56.00	58.00	0.00	3	0
<b>28,000</b>	<b>1</b>	<b>2</b>	<b>51.85</b>	<b>53.85</b>	<b>-4.15</b>	<b>58.00</b>	<b>15.00</b>	<b>3</b>	<b>1</b>
28,599	1	3	20.00	73.85	30.85	43.00	0.00	2	0
28,700	0	3	0.00	73.85	30.85	43.00	30.00	2	1
28,998	1	4	14.00	87.85	74.85	13.00	0.00	1	0
29,200	0	4	0.00	87.85	74.85	13.00	13.00	1	1
29,475	1	5	10.00	97.85	97.85	0.00	0.00	0	0

**TRANSFER CREDIT SUMMARY REPORT**

<b>MONTH</b>	<b># OF PRODUCERS TRANSFER IN</b>	<b># OF PRODUCERS TRANSFER OUT</b>	<b>TOTAL KGS BUTTERFAT</b>
September	15	21	28,149
October	15	12	18,550
November	23	21	31,871
December	25	26	33,472
January/11	27	20	29,306
February	25	19	25,424
March	38	34	37,078
April	21	14	20,912
May	14	16	17,747
June	20	18	21,400
July	14	13	18,903
August	19	26	29,476
September	14	13	15,745

**OVER QUOTA (OVER 10 DAYS) REPORT BY MONTH**

<b>MONTH</b>	<b># OF PRODUCERS</b>	<b>KGS BUTTERFAT</b>
September	0	0
October	1	2
November	2	615
December	1	307
January 2011	0	0
February	2	134
March	0	0
April	1	104
May	2	185
June	2	392
July	2	267
August	1	78
September	2	157

# SUMMARY REPORT OF CREDITS September, 2011 – 181 PRODUCERS

DAYS	# OF PRODUCERS	POSITIVE CREDITS ACCUMULATED (KGS OF BUTTERFAT)
+10	2	590
+ 5 to +10	10	7,645
0 to + 5	19	3,184
TOTAL	31	11,419
DAYS	# OF PRODUCERS	NEGATIVE CREDITS ACCUMULATED (KGS OF BUTTERFAT)
-20	29	-64,108
-15 to -20	44	-145,813
-10 to -15	25	-46,573
-5 to -10	31	-25,268
0 to -5	21	-8,660
TOTAL	150	-290,422

## LOST OPPORTUNITY REPORT

MONTH	# OF PRODUCERS	LOST OPPORTUNITY (KGS OF BUTTERFAT)
September	8	3,646
October	10	5,986
November	33	25,200
December	20	6,612
January, 2011	18	3,201
February	20	5,047
March	13	2,251
April	20	5,157
May	24	6,688
June	18	5,490
July	24	7,904
August	24	10,994
September	28	13,098

## WEIGHTED AVERAGE COMPONENT TESTS & PRICES September, 2011

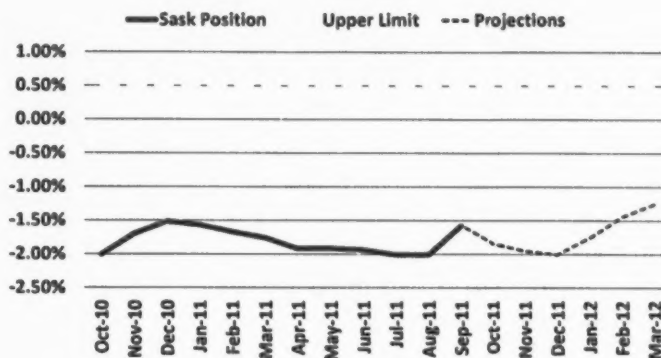
Components	Average Test	Price per kilogram Class 1 to 5
Butterfat	3.8296	\$11.265601
Protein	3.3304	\$8.265592
Other Solids	5.6838	\$1.210787

Based on the average component tests for the province, the average price received was \$77.5520 per hectolitre. The average butterfat price received per kilogram was \$20.25

## SASKATCHEWAN MILK POOL RESULTS September, 2011

Milk Sale Revenue	\$ 13,090,962.55
Western Milk Pool	\$ 1,518,018.20
Dairy Farmers of Canada Skim Off	\$ - 18,225.64
Plant of Last Resort Service	\$ - 56,347.56
<b>Total Pool Value</b>	<b>\$ 14,534,407.55</b>

### SK Milk Production



### FORM DEADLINES TO BE STRICTLY ENFORCED

Producers, please be reminded of the following deadlines for submitting forms to the Board office. All forms must be 100% complete to be considered. **These deadlines will be strictly enforced by the Board, no exceptions.**

When mailing, faxing or emailing forms to the Board, producers should call the Board office to ensure that their forms have been received prior to the deadline.

1. Private Quota Transfers – forms due by 11:59p.m. on the 6<sup>th</sup> day of each month for an effective date of the 1<sup>st</sup> day of the following month. This deadline also applies to farm name changes and moving to new production facilities.
2. Quota Exchange Bids – forms due by 11:59p.m. on the 6<sup>th</sup> day of each month for an effective date of the 1<sup>st</sup> day of the following month
3. Transfer Credits – forms due by 11:59p.m. on the 20<sup>th</sup> day of each month for an effective date of the 1<sup>st</sup> day of the same month
4. Banking Information Changes – Producers changing bank account information must notify the Board of this change at least 7 days prior to the next producer payment date.



In September, Saskatchewan had a monthly CDC allocation of 744,355 kilograms of butterfat. In the month of September, Saskatchewan production was **-27,575 kilograms** of butterfat **under** and cumulatively **under** by **-140,705 kilograms** of butterfat. On a percentage basis, Saskatchewan is at **-1.57%** within our CDC allocation flexibility limits based on the Continuous Quota model. The -1.50% lower flexibility limit is in effect.

	(1) Monthly Total Production  Kgs bf	(2) Total Monthly CDC Quota Allocation  Kgs bf	(3) Monthly Over or (Under) Production  Kgs bf  col. 1 - 2 = 3	(4) Lower Flexibility Limit (1.5%)  Kgs bf  col. 9 * -1.5%	(5) Upper Flexibility Limit 1.0%  Kgs bf  col. 9 * 1.0%	(6) Cumulative Over or (Under) Production with limits  Kgs bf	(7) Cumulative Over or (Under) Production with limits in - %  col. 6 / 9	(8) Over Quota or (Lost Production Opportunity)  Kgs bf	(9) Rolling 12 Month Total Quota  Kgs bf
Sep-10	673,445	727,727	(54,282)	(129,713)	43,175	(172,699)	-2.00%	(53,777)	8,634,934
Oct-10	694,237	756,826	(62,589)	(129,614)	43,207	(172,830)	-2.00%	(62,458)	8,641,482
Nov-10	686,111	752,717	(66,606)	(130,059)	43,353	(146,520)	-1.69%	(92,915)	8,670,615
Dec-10	731,120	785,901	(54,781)	(130,400)	43,467	(131,008)	-1.51%	(70,294)	8,693,300
Jan-11	742,948	758,126	(15,178)	(130,878)	43,626	(135,861)	-1.56%	(10,324)	8,725,211
Feb-11	673,205	682,398	(9,193)	(131,181)	43,727	(145,054)	-1.66%	0	8,745,397
Mar-11	748,293	757,080	(8,787)	(175,333)	43,833	(153,501)	-1.75%	0	8,766,601
Apr-11	723,139	737,593	(14,454)	(175,933)	43,983	(167,955)	-1.91%	0	8,796,654
May-11	750,663	750,954	(291)	(176,510)	44,127	(168,245)	-1.91%	0	8,825,483
June-11	723,059	725,685	(2,626)	(177,134)	44,283	(170,871)	-1.93%	0	8,656,690
July-11	725,673	736,879	(11,206)	(177,781)	44,445	(177,781)	-2.00%	(4,296)	8,889,063
Aug-11	733,202	745,258	(12,056)	(178,343)	44,586	(178,343)	-2.00%	(11,494)	8,917,144
Sep-11	716,780	744,355	(27,575)	(178,675)	44,669	(140,705)	-1.57%	(65,213)	8,933,772

- (1) Monthly Production in Saskatchewan
- (2) Total Monthly Quota = Class 1 sales + Monthly MSQ + Carry Forward
- (3) Difference between the monthly production (1) and the total monthly quota (2)
- (4) The Lower Flexibility Limit is -1.5% of Rolling 12 Month Total Quota (9)
- (5) The Upper Flexibility Limit is 1.0% of Rolling 12 Month Total Quota (9)
- (6) Previous Month Cumulative Over or (Under) Production + Current Monthly Over or (Under) Production (capped at lower or upper limit if applicable)
- (7) Equal to Column (6) expressed as a percentage basis within the flexibility limits
- (8) Over Quota or (Lost production opportunity) outside of flexibility limits
- (9) Total Monthly CDC Quota Allocation for the previous 12 months

## **RESEARCH REPORT – JACK FORD - DIRECTOR, SASKMILK**

I can now report that SaskMilk and the University of Saskatchewan have formally signed the legal agreement to move the project forward. The tender process is well under way and the tenders are due back very shortly. Provided that the tenders come in either under or on budget, construction is to begin by December 31, 2011.

Some of our members would like a bit of a refresher regarding the quota that the University now holds and will rent from us in the future. As part of the agreement which the producers voted on almost 4 years ago, we agreed to allow the University to sell all but one kilogram of daily quota so that the University could take the quota sale money and invest it in their new facility. We voted on a specified quota allotment amount of 134 kilograms of daily quota to meet the University's requirements. We have worked out a rental agreement between ourselves and the University which meets the requirements of the Canadian Revenue Agency (CRA). The rent money charged the University will then be granted back to the University to fund research. This is done this way to allow the University to use our "industry money" to lever grant money out of the federal or provincial governments. One of the reasons for involving CRA in our negotiations with the University of Saskatchewan was to insure that we are compliant with the CRA research tax credit rules.

We will keep you posted. Thank you.

## **WCFIN RESEARCHER DATABASE**

Have you ever thought to yourself, I wonder who is doing some interesting research in dairy reproduction in Western Canada? Or, who should I talk with to learn more about feed evaluation? Well, now when you have those thoughts, there is an internet based database that you can use to find researchers involved in livestock production in Western Canada.

The Western Canadian Feed Innovation Network (WCFIN) has worked over the last year to compile a database of researchers from the four western provinces who are involved in feeds, nutrition and livestock production. The website is located at: <http://www.wcfinc.ca/FeedResources/ResearcherDatabase.aspx>. There are five different ways that you can search for researchers, by province, research area, feed type, feed resources or by using key words. The database isn't exhaustive, but it does cover the majority of relevant researchers in Western Canada. Contact information for all researchers is listed in the database so that you can email researchers directly with your questions.

WCFIN was created as a communication and facilitation network to increase competitiveness of the animal feed sector in Western Canada through connecting researchers and industry and increasing the level of knowledge throughout the region. WCFIN was funded in its first year by the Alberta Meat and Livestock Agency <http://alma.alberta.ca/>. The Feeds Innovation Institute is currently working with its stakeholders to renew the funding for this project. If you have any questions or suggestions for information you would like to see on the WCFIN website, please send me an email or give me a call.

Colleen Christensen, PhD, PAg  
Executive Director, Feeds Innovation Institute  
[Colleen.Christensen@usask.ca](mailto:Colleen.Christensen@usask.ca)  
306-966-4154

## QUOTA LISTING SERVICE

SaskMilk offers a free quota listing service as part of its Newsletter. Anyone wishing to sell or purchase quota and/or cows or miscellaneous dairy equipment is welcome to contact the SaskMilk office at (306) 949-6999. All prices and negotiations will be independent of SaskMilk. **Please note that ads will be posted in two issues and will then be removed unless SaskMilk is notified otherwise.**

### Quota & Cows for Sale

- Purebred Holstein breeding bulls for sale. Sired by Shottle, Sanchez, Atwood, Superstition and Fever. Ready for cows or heifers with many to choose from. Contact Art Pruim at (306) 222-8455.

### Equipment for Sale

- One complete Robivec Vangard 380 Round Bale Processor with conveyors 6 x 10 paddle mixer, Electric 424 Weaverline silage cart + deluxe control panel 3/Ph. Contact Ken Lischka (306) 487-2672.

### Feed For Sale

- 2,000 Alfalfa bales for sale; relative feed value 111 to 128; protein level 14.9 to 17.3%. Contact Andrew Metz (306) 488-4809 home or (306) 638-7838 cell.

## SASKMILK BOARD OF DIRECTORS

	<u>PHONE</u>	<u>EMAIL</u>
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Melvin Foth – Vice Chair	(306) 225-4678	<a href="mailto:fvl@sasktel.net">fvl@sasktel.net</a>
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Juliann Lindenbach	(306) 771-2776	<a href="mailto:robella@sasktel.net">robella@sasktel.net</a>
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